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# Wellness AIDS Services, Inc.

Human Immunodeficiency Virus Prevention Program  
October 1, 2017 – March 31, 2019

Ryan White Part B Program  
October 1, 2017 – March 31, 2019

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Audit Report – January 2020

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State of Michigan  
Department of Health and Human Services  
Bureau of Audit  
Audit Division





STATE OF MICHIGAN  
DEPARTMENT OF HEALTH AND HUMAN SERVICES  
LANSING

GRETCHEN WHITMER  
GOVERNOR

ROBERT GORDON  
DIRECTOR

January 31, 2020

Ms. Stevi Atkins, Chief Executive Officer  
Wellness AIDS Services, Inc.  
311 E. Court Street  
Flint, Michigan 48502

Dear Ms. Atkins:

This is our audit report of the Human Immunodeficiency Virus (HIV) and Ryan White Part B programs administered by Wellness AIDS Services, Inc. for the audit period October 1, 2017 through March 31, 2019.

The Michigan Department of Health and Human Services (MDHHS) is committed to ensuring high standards of integrity and accountability for public funds. To that end, we periodically perform audits to assess the agency's compliance with fiscal reporting and other requirements contained in MDHHS agreements, and policies and procedures; and Federal regulations.

The report includes the Executive Summary, Exceptions, Recommendations, Corrective Actions, Statements of Audited Grant Revenues and Expenses, Federal and State Grant Award Information, and Scope and Methodology.

Final reports are posted for public viewing on the [MDHHS website](#).

Thank you for the cooperation extended throughout the audit process.

Sincerely,

A handwritten signature in black ink that reads "Shannah M. Havens".

Shannah M. Havens, CPA, MBA  
Audit Section Manager  
Public Health and Community Services Programs Section  
Audit Division

c: Debra Hallenbeck, MDHHS, Audit  
Cole Blades, MDHHS, Audit  
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Tammy Calhoun, Walker June Calhoun, CPAs, PC  
Dionne Ziegler, Wellness AIDS Services, Inc.

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## EXECUTIVE SUMMARY

Below is a summary of exceptions and the Health Department's corrective action plan.

<b>Exception 1</b> Page 4	<b>Payroll Distributions Inappropriately Based on Budget Allocations</b> Repeat Exception [Report Issued January 2019, Exception 2]
<b>Criteria</b>	Title 2 CFR 200.430(i)
<b>Amount to be Returned</b>	\$-0-
<b>Corrective Action</b>	Implemented new time tracking forms to address this issue.
<b>Completion Date</b>	July 2019
<b>Person Responsible</b>	Stevi Atkins, CEO Dionne Ziegler, Data and Quality Assurance Manager Tammy Calhoun, CPA

<b>Exception 2</b> Page 6	<b>Service Category Expense Misclassified</b>
<b>Criteria</b>	Policy Clarification Notice 16-02
<b>Amount to be Returned</b>	\$-0-
<b>Corrective Action</b>	Nutrition and meal replacements will be allocated to the Medical Nutrition Therapy service category moving forward.
<b>Completion Date</b>	July 2019
<b>Person Responsible</b>	Stevi Atkins, CEO Dionne Ziegler, Data and Quality Assurance Manager

<b>Exception 3</b> Page 7	<b>Reported Service Categories Expenses Based on Budgeted Amounts</b>
<b>Criteria</b>	Policy Clarification Notice 16-02
<b>Amount to be Returned</b>	\$-0-
<b>Corrective Action</b>	Implemented a new time tracking program to track employee program/service category time each pay period.
<b>Completion Date</b>	July 2019
<b>Person Responsible</b>	Stevi Atkins, CEO Dionne Ziegler, Data and Quality Assurance Manager Tammy Calhoun, CPA

<b>Exception 4</b> Page 8	<b>Encumbrances Not Liquidated with the Timeline Imposed by the Agreement</b>
<b>Criteria</b>	MDHHS Agreement
<b>Amount to be Returned</b>	\$-0-
<b>Corrective Action</b>	Implemented a procedure to review all account payables monthly to ensure all are liquidated within 60 days of the end of the agreement period.
<b>Completion Date</b>	January 2020
<b>Person Responsible</b>	Stevi Atkins, CEO Dionne Ziegler, Data and Quality Assurance Manager Tammy Calhoun, CPA

<b>Exception 5</b> Page 10	<b>Non-Compliance with the Agency’s Wage Adjustment (Bonus) Policy</b>
<b>Criteria</b>	Agency Wage Adjustment (Bonus) Policy
<b>Amount to be Returned</b>	\$-0-
<b>Corrective Action</b>	Removed the word “exemplary” from the employee “Bonus Policy.”
<b>Completion Date</b>	January 2020
<b>Person Responsible</b>	Stevi Atkins, CEO

<b>Exception 6</b> Page 11	<b>Insufficient Controls Over Assets</b>
<b>Criteria</b>	Agency Procurement Policy
<b>Amount to be Returned</b>	\$-0-
<b>Corrective Action</b>	Immediately contacted the vendor to deliver the remaining seven laptops on August 10, 2019. All laptops have been received by the agency.
<b>Completion Date</b>	August 2019
<b>Person Responsible</b>	Stevi Atkins, CEO Dionne Ziegler, Data and Quality Assurance Manager John Ibbotson, Technical Edge IT

<b>Exception 7</b> Page 12	<b>Insufficient Controls Over the Financial Management System</b>
<b>Criteria</b>	Title 2 CFR 200.303, Title 2 CFR 200.62
<b>Amount to be Returned</b>	\$-0-
<b>Corrective Action</b>	Reviewed the financial management systems, policies and procedures to ensure compliance with Federal regulations. Policies and procedures were reviewed with management staff to ensure proper compliance.
<b>Completion Date</b>	January 2020
<b>Person Responsible</b>	Stevi Atkins, CEO Dionne Ziegler, Data and Quality Assurance Manager Tammy Calhoun, CPA

**Exception 1****Payroll Distributions Inappropriately Based on Budget Allocations**

Repeat Exception [Report Issued January 2019, Exception 2]

**Condition**

The Agency distributes employees' salaries and wages to programs based on budget allocations and does not require employees who work on multiple programs to document actual time worked and distributes employees' salaries and wages to programs based on budget allocations with no adjustments to actual work performed.

**Criteria**

Title 2 CFR 200.430(i)(1) states, "Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must: (i) Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated... (viii) Budget estimates (i.e., estimates determined before the services are performed) alone do not qualify as support for charges to Federal awards, but may be used for interim accounting purposes, provided that: (A) The system for establishing the estimates produces reasonable approximations of the activity actually performed; (B) Significant changes in the corresponding work activity are identified and entered into the records in a timely manner...; and (C) The non-Federal entity's system of internal controls includes processes to review after-the-fact interim charges made to a Federal award based on budget estimates. All necessary adjustment must be made such that the final amount charged to the Federal award is accurate, allowable and properly allocated."

**Exception**

During our review, we noted that the Agency allocated salaries and wages based on budgeted program FTE percentages for its employees working on multiple programs. Compensation can be allocated to benefiting programs using a predetermined budgeted percentage for interim purposes, but 2 CFR 200 requires an adjustment to actual. Since time records do not show actual activity of employees working on multiple programs, the Agency is unable to properly conduct an analysis of actual activity to determine if any adjustments are necessary.

This is a repeat finding from our audit report issued in January 2019. The Agency planned to implement the new process on October 1, 2019, to coincide with the new fiscal year.

**Recommendation**

We again recommend that the Agency implement sufficient procedures and controls to ensure that all salary and wages are properly allocated to benefiting programs based on actual activity to ensure compliance with Federal regulations.

**Agency Response and Corrective Action Plan**

The agency immediately implemented new time tracking forms to address this issue.

**Completion Date**

July 2019

**Responsible Individuals**

Stevi Atkins, CEO

Dionne Ziegler, Data and Quality Assurance Manager

Tammy Calhoun, CPA

## **Exception 2**

### **Service Category Expense Misclassified**

#### **Condition**

The Agency improperly recorded Medical Nutrition Therapy expenses as a Health Insurance Premium and Cost Sharing Assistance for Low-Income Individuals (HIPCA). Also, the Agency reported the expenses as Outpatient/Ambulatory Health Services.

#### **Criteria**

Policy Clarification Notice (PCN) 16-02 states that RWHAP funds are intended to support only the HIV-related needs of eligible individuals. Subrecipients must be able to make an explicit connection between any service supported with RWHAP funds and the intended client's HIV status, or care-giving relationship to a person with HIV. PCN 16-02 outlines the service categories that fall under Core Medical Services and Support Services for allowable uses of RWHAP funds. The service category description for HIPCA is to provide financial assistance for eligible clients living with HIV to maintain continuity of health insurance or to receive medical and pharmacy benefits under a health care coverage program. The service description for Medical Nutrition Therapy includes food and/or nutritional supplements per a medical provider's recommendation.

#### **Exception**

During our review, we noted that the Agency misclassified its expenditures for a client's nutrition and meal replacement drinks as HIPCA core medical services in one (7%) 15 expenditures in FY 2018 and one (9%) of 11 expenditures in FY 2019. However, the supporting documentation stated that the nutrition and meal replacement drinks were for Emergency Financial Assistance – Medical support services category. We also noted that the Agency reported the expenses to MDHHS in the Outpatient/Ambulatory Health Services core medical service category.

#### **Recommendation**

We recommend that the Agency implement sufficient procedures and controls to ensure that all expenditures are accurately recorded and reported to the appropriate RWHAP Part B Service Categories.

#### **Agency Response and Corrective Action Plan**

This was misclassified due to internal error. The agency no longer has a HIPCA line item or Outpatient Ambulatory. Nutrition and meal replacements will be allocated the Medical Nutrition Therapy service category moving forward.

#### **Completion Date**

July 2019

#### **Responsible Individuals**

Stevi Atkins, CEO

Dionne Ziegler, Data and Quality Assurance Manager

### **Exception 3**

#### **Reported Service Categories Expenses Based on Budgeted Amounts**

#### **Condition**

The Agency did not accurately report its expenditures by service categories.

#### **Criteria**

Policy Clarification Notice (PCN) 16-02 states that RWHAP funds are intended to support only the HIV-related needs of eligible individuals. Subrecipients must be able to make an explicit connection between any service supported with RWHAP funds and the intended client's HIV status, or care-giving relationship to a person with HIV. PCN 16-02 outlines the service categories that fall under Core Medical Services and Support Services for allowable uses of RWHAP funds. It also states in PCN 16-02 Frequently Asked Questions (FAQs) that subrecipients must adhere to service category descriptions.

Also, Title 2 CFR 200.302 that the financial management system of each non-Federal entity must provide for accurate, current, and complete disclosure of the financial results of the Federal award. Records that identify adequately the source and application of funds for Federally-funded activities. These records must contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income and interest and be supported by source documentation.

#### **Exception**

During our review, we noted that the Agency reported its expenditures by Service Categories to MDHHS based on budgeted amounts rather than actual costs.

#### **Recommendation**

We recommend that the Agency implement sufficient procedures and controls to ensure that all expenditures for RWHAP Part B are accurately reported by Service Categories to MDHHS.

#### **Agency Response and Corrective Action Plan**

Time had been tracked by program and reviewed annually to determine splits for the upcoming fiscal year. A new time tracking program has been implemented to track employee program/service category time each pay period and those percentages will be used for expenditures.

#### **Completion Date**

July 2019

#### **Responsible Individuals**

Stevi Atkins, CEO

Dionne Ziegler, Data and Quality Assurance Manager

Tammy Calhoun, CPA

#### **Exception 4**

#### **Encumbrances Not Liquidated Within the Timeline Imposed by the Contract**

#### **Condition**

The Agency did not liquidate encumbrances in accordance with the terms of its agreement with MDHHS. In addition, the Agency did not comply with its procurement policy.

#### **Criteria**

The Agency's grant agreement with MDHHS requires that the Agency prepare and submit Financial Status Reports (FSRs) on a monthly basis and the monthly FSRs must reflect total actual program expenditures. By submitting the FSR the individual is certifying to the best of their knowledge and belief that the report is true, complete and accurate and the expenditures, disbursements, and cash receipts are for the purposes and objectives set forth in the terms and conditions of the agreement.

Also, the FSR instructions state, "A final Financial Status Report is due within sixty (60) days of the end of the agreement period and must be marked "Final." This requires the agency to liquidate all accounts payable (obligations for goods or services received, which have not been paid for as of the end of the agreement period) and encumbrances (commitments at the end of the agreement period related to unperformed (executory) contracts for goods and services) within sixty days after the end of the agreement period."

Title 2 CFR 200.403 states costs must be determined in accordance with generally accepted accounting principles (GAAP) in order to allowable under Federal awards.

The Agency's Procurement Procedures state it has overall system of contract administration to ensure proper oversight and management of procurement actions which includes such methods that provide assurance that the goods or services purchased are being delivered within the scope of the contract.

#### **Exception**

During our review, we noted that the Agency reported costs on its August 2018 FSR which did not comply with the terms of the agreement with MDHHS or the Agency's procurement procedures. We noted the following exceptions:

1. The Agency accrued a payable for employee bonuses on August 31, 2018, in the amount of \$10,375 for RWHAP Part B and in the amount of \$3,150 for HIV Prevention. The Agency did not liquidate this payable until December 21, 2018.
2. The Agency recorded an encumbrance for RWHAP Part B advertising in the amount of \$12,240 on August 31, 2018. Documentation provided by the Agency included a summary of services to be provided for the period September 2018 through November 2018 at a monthly investment of \$4,080 for a total of \$12,240 and signed by the client (Agency) on August 14, 2018. In addition, the Agency

provided a detailed invoice from the vendor showing air times and dates for December 2018 only and totaled \$4,080. The Agency made a payment of \$12,240 on January 23, 2019. It should further be noted that the Agency's approved budget for FY 2018 included direct marketing campaign costs but the budget for FY 2019 did not include marketing costs.

3. The Agency accrued a payable in the amount of \$5,000 to RWHAP Part B for the purchase of five laptop computers. The Agency made payment on December 13, 2018.

**Recommendation**

We recommend that the Agency implement sufficient procedures and controls to ensure that only actual expenditures are reported on its FSRs. We also recommend that the Agency implement controls to ensure that all accounts payables and encumbrances are properly liquidated within 60 days of the end of the agreement period.

**Agency Response and Corrective Action Plan**

Implemented procedures to review all account payables monthly to ensure that all are liquidated within 60 days of the end of the agreement period.

**Completion Date**

January 2020

**Responsible Individuals**

Stevi Atkins, CEO

Dionne Ziegler, Data and Quality Assurance Manager

Tammy Calhoun, CPA

## **Exception 5**

### **Non-compliance with Agency's Wage Adjustment (Bonus) Policy**

#### **Condition**

The Agency did not comply with its Wage Adjustment (Bonus) Policy.

#### **Criteria**

The Agency's Wage Adjustment (Bonus) Policy states that award lump-sum bonuses (one-time bonus payments) may be awarded to employee who show exemplary performance. The Agency defines "exemplary performance" as upholding agency values and ethics, meeting or exceeding program and agency goals, performing additional duties from what is expected, serving as a good example of professional behavior to other employees (e.g., teamwork, ethics, leadership).

Title 2 CFR 200.431 states that the costs of fringe benefits are allowable provided that the benefits are reasonable and are required by law, non-Federal entity-employee agreement, or an established policy of the non-Federal entity.

#### **Exception**

During our review we noted that the Agency's performance categories on the evaluation form did not match the Agency's policy metrics. We also noted that the forms only had two performance options--met and not met, exemplary was not an option.

#### **Recommendation**

We recommend that the Agency redesign its performance evaluation form to match its policy's metrics to ensure compliance with Federal regulation.

#### **Agency Response and Corrective Action Plan**

Removed the word "exemplary" from the employee "Bonus Policy."

#### **Completion Date**

January 2020

#### **Responsible Individual**

Stevi Atkins, CEO

## **Exception 6**

### **Insufficient Controls Over Assets**

#### **Condition**

The Agency did not verify the receipt of computers it purchased prior to payment to the vendor.

#### **Criteria**

The Agency's procurement procedures state it has overall system of contract administration to ensure proper oversight and management of procurement actions which includes such methods that provide assurance that the goods or services purchased are being delivered within the scope of the contract.

Title 2 CFR 200.302(b)(4) states that the financial management system of each non-Federal entity must provide for effective control over, and accountability for, all funds, property, and other assets, and it must adequately safeguard all assets and assure that they are used solely for authorized purposes.

#### **Exception**

During our review, we noted that the Agency prepaid \$5,000 (see Exception 4) for five laptops for the RWHAP Part B Program. We performed an onsite inventory of the purchased laptops on July 31, 2019 and found only one of the five laptops had been received. We also noted that the Agency prepaid \$6,000 for six laptops for the Care Coordination Program and had only received three of the six when we performed the onsite inventory. Although the Agency paid for the computers, staff indicated they were not aware the goods had not been received until our audit. We will not require funds to be returned at this time; however, we will follow-up to ensure the Agency has received the laptops to support the cost it reported to MDHHS.

#### **Recommendation**

We recommend that the Agency implement sufficient controls to ensure that all goods are received prior to payment to ensure compliance with the Agency's procurement policies and Federal regulation.

#### **Agency Response and Corrective Action Plan**

The Agency was unaware of the discrepancy until notified by MDHHS. The Agency immediately contacted the vendor to deliver the remaining seven laptops on August 10, 2019. All laptops have been received by the agency.

#### **Completion Date**

August 2019

#### **Responsible Individuals**

Stevi Atkins, CEO

Dionne Ziegler, Data and Quality Assurance Manager

John Ibbotson, Technical Edge IT

## **Exception 7**

### **Insufficient Controls Over the Financial Management System**

#### **Condition**

The Agency did not have sufficient controls over its financial management system to ensure all expenditure transactions were properly recorded.

#### **Criteria**

Title 2 CFR 200.303 states, "The non-Federal entity must: (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and the conditions of the Federal award..."

Title 2 CFR 200.62 defines internal control over compliance requirements for Federal awards means as a process implemented by a non-Federal entity designed to provide reasonable assurance regarding the achievement of the following objectives for Federal Awards:

- (a) Transactions are properly recorded and accounted for, in order to:
  - (1) Permit the preparation of reliable financial statements and Federal reports;
  - (2) Maintain accountability over assets; and
  - (3) Demonstrate compliance with Federal statutes, regulations and the terms and conditions of the Federal award.
- (c) Funds, property, and other assets are safeguarded against loss from unauthorized use or disposition.

#### **Exception**

The Agency's insufficient controls over its financial management system contributed to Exception 4 and Exception 6.

#### **Recommendation**

We recommend that the Agency implement sufficient controls over its financial management system to ensure compliance with Federal regulations and the Agency's own policies and procedures.

#### **Agency Response and Corrective Action Plan**

Reviewed the financial management systems, policies and procedures to ensure compliance with Federal regulations. Policies and procedures were reviewed with management staff to ensure proper compliance.

#### **Completion Date**

January 2020

#### **Responsible Individuals**

Stevi Atkins, CEO

Dionne Ziegler, Data and Quality Assurance Manager

Tammy Calhoun, CPA

<b>Wellness AIDS, Inc.</b> <b>HIV Prevention</b> <b>Statement of Audited Grant Revenues and Expenses</b> <b>10/01/2017 - 09/30/2018</b>					
	BUDGETED	REPORTED	AUDITED	AUDIT ADJUSTMENT	EXCEPTION REFERENCE
<b>REVENUES</b>					
MDHHS Grant	\$ 146,691	\$ 144,427	\$ 144,427	\$ -	
Fees and Collections - 1st and 2nd Party	\$ -	\$ -	\$ -	\$ -	
Fees and Collections - 3rd Party	\$ -	\$ -	\$ -	\$ -	
Federal Cost Based Reimbursement	\$ -	\$ -	\$ -	\$ -	
Local Funds - Other	\$ -	\$ -	\$ -	\$ -	
<b>Total Revenues</b>	<b>\$ 146,691</b>	<b>\$ 144,427</b>	<b>\$ 144,427</b>	<b>\$ -</b>	
<b>EXPENSES</b>					
Salaries and Wages	\$ 85,750	\$ 89,648	\$ 89,648	\$ -	
Fringe Benefits	\$ 30,013	\$ 21,670	\$ 21,670	\$ -	
Travel	\$ 4,078	\$ 4,661	\$ 4,661	\$ -	
Supplies and Materials	\$ 11,500	\$ 13,567	\$ 13,567	\$ -	
Contractual	\$ -	\$ -	\$ -	\$ -	
Equipment	\$ -	\$ -	\$ -	\$ -	
Other	\$ 15,350	\$ 14,881	\$ 14,881	\$ -	
Indirect Costs	\$ -	\$ -	\$ -	\$ -	
<b>Total Expenses</b>	<b>\$ 146,691</b>	<b>\$ 144,427</b>	<b>\$ 144,427</b>	<b>\$ -</b>	

<b>Wellness AIDS, Inc.</b> <b>HIV Prevention</b> <b>Statement of Audited Grant Revenues and Expenses</b> <b>10/01/2018 - 03/31/2019</b>					
	BUDGETED	REPORTED	AUDITED	AUDIT ADJUSTMENT	EXCEPTION REFERENCE
<b>REVENUES</b>					
MDHHS Grant	\$ 146,691	\$ 48,149	\$ 48,149	\$ -	
Fees and Collections - 1st and 2nd Party	\$ -	\$ -	\$ -	\$ -	
Fees and Collections - 3rd Party	\$ -	\$ -	\$ -	\$ -	
Federal Cost Based Reimbursement	\$ -	\$ -	\$ -	\$ -	
Local Funds - Other	\$ -	\$ -	\$ -	\$ -	
<b>Total Revenues</b>	<b>\$ 146,691</b>	<b>\$ 48,149</b>	<b>\$ 48,149</b>	<b>\$ -</b>	
<b>EXPENSES</b>					
Salaries and Wages	\$ 91,750	\$ 29,733	\$ 29,733	\$ -	
Fringe Benefits	\$ 22,938	\$ 8,137	\$ 8,137	\$ -	
Travel	\$ 4,321	\$ 1,853	\$ 1,853	\$ -	
Supplies and Materials	\$ 11,800	\$ 4,287	\$ 4,287	\$ -	
Contractual	\$ -	\$ -	\$ -	\$ -	
Equipment	\$ -	\$ -	\$ -	\$ -	
Other	\$ 15,882	\$ 4,139	\$ 4,139	\$ -	
Indirect Costs	\$ -	\$ -	\$ -	\$ -	
<b>Total Expenses</b>	<b>\$ 146,691</b>	<b>\$ 48,149</b>	<b>\$ 48,149</b>	<b>\$ -</b>	

Wellness AIDS, Inc. Ryan White Part B Statement of Audited Grant Revenues and Expenses 10/01/2017 - 09/30/2018					
	BUDGETED	REPORTED	AUDITED	AUDIT ADJUSTMENT	EXCEPTION REFERENCE
<b>REVENUES</b>					
MDHHS Grant	\$ 592,807	\$ 572,646	\$ 572,646	\$ -	
Fees and Collections - 1st and 2nd Party	\$ -	\$ -	\$ -	\$ -	
Fees and Collections - 3rd Party	\$ -	\$ -	\$ -	\$ -	
Federal Cost Based Reimbursement	\$ -	\$ -	\$ -	\$ -	
Local Funds - Other	\$ -	\$ -	\$ -	\$ -	
<b>Total Revenues</b>	<b>\$ 592,807</b>	<b>\$ 572,646</b>	<b>\$ 572,646</b>	<b>\$ -</b>	
<b>EXPENSES</b>					
Salaries and Wages	\$ 390,300	\$ 392,513	\$ 392,513	\$ -	
Fringe Benefits	\$ 99,527	\$ 90,345	\$ 90,345	\$ -	
Travel	\$ 12,544	\$ 13,356	\$ 13,356	\$ -	
Supplies and Materials	\$ 23,355	\$ 23,205	\$ 23,205	\$ -	
Contractual	\$ 5,000	\$ 4,868	\$ 4,868	\$ -	
Equipment	\$ -	\$ -	\$ -	\$ -	
Other	\$ 62,081	\$ 48,360	\$ 48,360	\$ -	
Indirect Costs	\$ -	\$ -	\$ -	\$ -	
<b>Total Expenses</b>	<b>\$ 592,807</b>	<b>\$ 572,646</b>	<b>\$ 572,646</b>	<b>\$ -</b>	

Wellness AIDS, Inc. Ryan White Part B Statement of Audited Grant Revenues and Expenses 10/01/2018 - 03/31/2019					
	BUDGETED	REPORTED	AUDITED	AUDIT ADJUSTMENT	EXCEPTION REFERENCE
<b>REVENUES</b>					
MDHHS Grant	\$ 592,807	\$ 261,019	\$ 261,019	\$ -	
Fees and Collections - 1st and 2nd Party	\$ -	\$ -	\$ -	\$ -	
Fees and Collections - 3rd Party	\$ -	\$ -	\$ -	\$ -	
Federal Cost Based Reimbursement	\$ -	\$ -	\$ -	\$ -	
Local Funds - Other	\$ -	\$ -	\$ -	\$ -	
<b>Total Revenues</b>	<b>\$ 592,807</b>	<b>\$ 261,019</b>	<b>\$ 261,019</b>	<b>\$ -</b>	
<b>EXPENSES</b>					
Salaries and Wages	\$ 407,190	\$ 185,405	\$ 185,405	\$ -	
Fringe Benefits	\$ 103,834	\$ 52,054	\$ 52,054	\$ -	
Travel	\$ 14,015	\$ 1,733	\$ 1,733	\$ -	
Supplies and Materials	\$ 11,000	\$ 2,838	\$ 2,838	\$ -	
Contractual	\$ 5,025	\$ -	\$ -	\$ -	
Equipment	\$ -	\$ -	\$ -	\$ -	
Other	\$ 51,743	\$ 18,990	\$ 18,990	\$ -	
Indirect Costs	\$ -	\$ -	\$ -	\$ -	
<b>Total Expenses</b>	<b>\$ 592,807</b>	<b>\$ 261,019</b>	<b>\$ 261,019</b>	<b>\$ -</b>	

### FEDERAL AND STATE GRANT AWARD INFORMATION

<b>Program Title</b>	<b>HIV Prevention</b>
Federal Agency	U.S. Department of Health and Human Services
Federal Sub-Tier	Centers for Disease Control and Prevention
Federal Program Title	HIV Prevention Activities Health Department Based
CFDA Number	93.940
MDHHS Agreement No.	E20180099
MDHHS Agreement Period	10/01/2017 – 09/30/2018
Exception(s) Related to Program	1, 5, 7
Amount to be Returned	\$-0-
Exception(s) for Return Amount	Not Applicable
See the Statement of Audited Grant Revenues and Expenses for line item adjustment details for exceptions.	

<b>Program Title</b>	<b>HIV Prevention</b>
Federal Agency	U.S. Department of Health and Human Services
Federal Sub-Tier	Centers for Disease Control and Prevention
Federal Program Title	HIV Prevention Activities Health Department Based
CFDA Number	93.940
MDHHS Agreement No.	E20192690
MDHHS Agreement Period	10/01/2018-09/30/2019
Exception(s) Related to Program	1, 5, 7
Amount to be Returned	\$-0-
Exception(s) for Return Amount	Not Applicable
See the Statement of Audited Grant Revenues and Expenses for line item adjustment details for exceptions.	

### FEDERAL AND STATE GRANT AWARD INFORMATION

<b>Program Title</b>	<b>Ryan White HIV/AIDS Program Part B</b>
Federal Agency	U.S. Department of Health and Human Services
Federal Sub-Tier	Health Resources and Services Administration
Federal Program Title	HIV Care Formula Grants
CFDA Number	93.917
MDHHS Agreement No.	E20180084
MDHHS Agreement Period	10/01/2017 – 09/30/2018
Exception(s) Related to Program	1, 2, 3, 4, 5, 6, 7
Amount to be Returned	\$-0-
Exception(s) for Return Amount	Not Applicable
See the Statement of Audited Grant Revenues and Expenses for line item adjustment details for exceptions.	

<b>Program Title</b>	<b>Ryan White HIV/AIDS Program Part B</b>
Federal Agency	U.S. Department of Health and Human Services
Federal Sub-Tier	Health Resources and Services Administration
Federal Program Title	HIV Care Formula Grants
CFDA Number	93.917
MDHHS Agreement No.	E20191751
MDHHS Agreement Period	10/01/2018-09/30/2019
Exception(s) Related to Program	1, 2, 3, 4, 5, 6, 7
Amount to be Returned	\$-0-
Exception(s) for Return Amount	Not Applicable
See the Statement of Audited Grant Revenues and Expenses for line item adjustment details for exceptions.	

## SCOPE AND METHODOLOGY

We examined the Agency's records and activities for the period October 1, 2017 to March 31, 2019.

Our audit procedures included the following:

- Reviewed the most recent Single Audit and Financial Statement Audit Reports for any HIV Prevention Program or, RWHAP Part B Program related concerns.
- Reviewed the most recent HIV Prevention Program and RWHAP Part B Program site visit reports from the Program staff.
- Reviewed the Grant Agreement, Budgets, and Program Specific Assurances and Requirements.
- Reviewed policies to ensure they meet applicable requirements and guidelines.
- Reviewed the most recently completed Fiscal Questionnaire.
- Reconciled the HIV Prevention Program and Part B Program Financial Status Reports (FSRs) and MDHHS payment schedules to the accounting records.
- Tested a selection of payroll and non-payroll expenditures for program compliance; and adherence to policies, Federal and program guidelines and approval procedures.
- Reviewed building space/lease costs for proper reporting and compliance with Federal requirements.
- Reviewed equipment purchases over \$5,000 for the HIV Prevention Program and RWHAP Part B Program.
- Reviewed indirect cost and other cost allocations for reasonableness, and an equitable methodology.

Our audit did not include a review of program content or quality of services provided.

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## GLOSSARY OF ABBREVIATIONS

AIDS	Acquired Immunodeficiency Syndrome
CFDA	Catalog of Federal Domestic Assistance
CFR	Code of Federal Regulations
FSR	Financial Status Report
HIPCA	Health Insurance Premium and Cost Sharing Assistance for Low-Income Individuals
HIV	Human Immunodeficiency Virus
MDHHS	Michigan Department of Health and Human Services
RWHAP	Ryan White HIV/AIDS Program